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# Central Intelligence Bulletin

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14 July 1973

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ARGENTINA: In a speech to the nation, Juan Peron has strongly suggested that he is prepared to become president again, but neither he nor resigning President Hector Campora has spelled out the means of placing Peron in office. It is possible that Peron is seeking an accommodation with military and opposition party leaders that would further his stated aim of "national reconciliation."

Congress has accepted the resignations of Campora and Vice President Solano Lima, thereby clearing the way for Chamber of Deputies President Raul Lastiri—the son—in—law of a close Peron aide—to serve as provisional president until Congress comes up with a succession formula. Campora said that Peron's return would be accomplished with scrupulous respect for the constitution and that a new election would be held. Law requires the provisional president to call for such a vote within 30 days, but the Peronist—controlled legislature could easily formulate new legislation altering the succession procedure.

So far the military appears to pose no obstacle to Peron's take-over.

Strong leftist reaction to Peron's bid can be expected in the provincial capital of Cordoba where a confrontation has developed between feuding orthodox Peronists and leftist elements. Peron's dissatisfaction with Campora and the resulting resignation are partially attributable to the former president's failure to cope with the dispute in the fractious Cordoba labor movement. The army has declared Cordoba and the federal capital emergency zones in order to counter possible disorders.

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CHINA-CAMBODIA: Peking is continuing to adv cate direct talks between Prince Sihanouk and the	0-
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In contrast with the North Vietnamese, who have stated that the negotiations must be with Sihanouk-but who do not seem to have pushed for this activity-the Chinese are anxious to involve the Prince deeply in any talks at an early stage. They see Sihanouk as their chief asset in shaping Cambodia's future and wish to enhance his stature as much as possible.

Sihanouk himself continues to take a tough public stance on the subject of discussions with the US. Yesterday, Sihanouk told the press in Peking that he will leave next week for a three-week visit to North Korea. The Prince added that even if he has returned to Peking by the time of Dr. Kissinger's arrival, neither he nor any member of his "government" would be in contact with Kissinger.

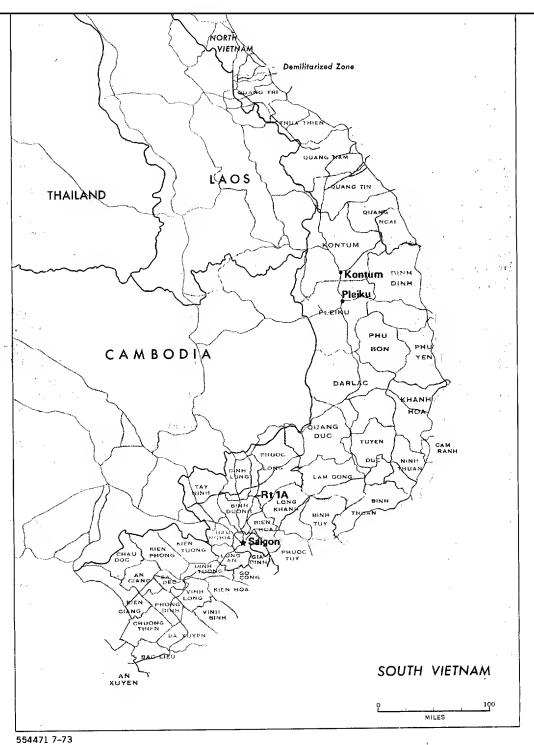
Sihanouk has attached great importance to direct negotiations with the US and it is unlikely that his current line represents an absolute unwillingness to talk. In exchange for negotiations and a cease-fire, however, Sihanouk is continuing to demand such preconditions as an end to the US bombing in Cambodia.

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SOUTH VIETNAM: The level of fighting has increased recently in some parts of the country largely because of government operations designed to roll back earlier Communist territorial gains.

The heaviest action is in the central highlands, triggered by the Communist capture of two villages near Kontum City in early June. The Communists responded to government operations in this area with rocket attacks on Pleiku City for three straight days and threats to hit government "rear bases" if the attacks in Kontum Province continued.

Other areas of the country may also soon see more action. South Vietnamese land clearing operations in Binh Dinh Province already have triggered Communist rocket and artillery fire. Farther north, the government has started clearing operations in Communist-held territory in Quang Ngai and Quang Nam

provinces,

In the south, the government has a road clearing effort under way along Route 1A in Binh Duong Province, and government commanders are under orders to use whatever force is necessary to clear the highway. Communist units so far have resisted heavy South Vietnamese air and artillery strikes and show no signs of retreating. In the delta, sporadic fighting continues in Chuong Thien and Chau Doc provinces, where Communist units have been instructed to hold off government incursions and to continue their efforts to expand their own holdings. Four prisoners recently reported that they were part of a fresh group of North Vietnamese replacements infiltrated from Cambodia toward Chuong Thien to join Communist units in that area.

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So far, there are no indications that either side is moving additional units into the current hot spots, but a further increase in the level of activity seems to be in prospect.

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Morocco-Syria: The two Soviet LSTs that probably are carrying Moroccan military equipment or personnel to Syria could arrive there tomorrow. The ships, which departed Oran, Algeria on 9 July, appeared to be on course for Syria when they were observed south of Crete on Thursday. No deck cargo was seen on either LST.

France - South Vietnam: Paris has apparently decided to provide Saigon with about \$25 million in foreign aid before the end of this year and up to \$75 million next year. The bulk of this assistance will be project aid, and the remainder will be direct balance-of-payments support. Details of the 1973 assistance are to be worked out in Paris in September, and announcement of the aid at that time could encourage other donors--particularly Japan and other Western European countries--to follow suit.

<u>USSR-Peru</u>: A Soviet technical mission is to arrive in Lima tomorrow for studies on possible further aid from the USSR in developing the huge Olmos hydroelectric project.

\*These items were prepared by CIA without consultation with the Departments of State and Defense.

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